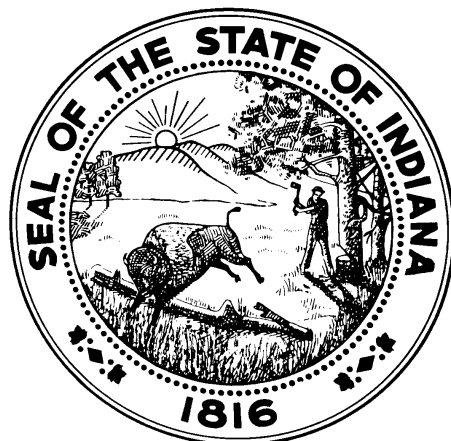


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
WABASH CARNEGIE PUBLIC LIBRARY  
WABASH COUNTY, INDIANA  
January 1, 2006 to December 31, 2007



**FILED**  
07/02/2008



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## OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Joanna Strobe Amy Wendt (Interim) Ware W. Wimberly III	01-01-06 to 05-31-07 06-01-07 to 07-01-07 07-02-07 to 12-31-08
Treasurer	William P. Stouffer	01-01-06 to 12-31-08
President of the Board	E.K. Jones, Jr.	01-01-06 to 12-31-08



# STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
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Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

## INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE WABASH CARNEGIE PUBLIC LIBRARY, WABASH COUNTY, INDIANA

We have examined the financial information presented herein of the Wabash Carnegie Public Library (Library) for the period of January 1, 2006 to December 31, 2007. The Library's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Library for the years ended December 31, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

May 29, 2008

WABASH CARNEGIE PUBLIC LIBRARY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 194,937	\$ 1,037,823	\$ 760,158	\$ 472,602
Gifts and Bequests	1,940	3,271	3,645	1,566
Friends of the Library	3,481	154	1,595	2,040
Fritchey Endowment	(341)	1,250	807	102
E. Pearson Gift	554,474	8,119	15,058	547,535
M.B.Jones Endowment	-	375	75	300
Frances Lewis Gift	5,000	-	-	5,000
Levy Excess	-	8,262	-	8,262
Library Improvement Reserve	477,871	143,672	52,506	569,037
Bond and Interest	(84,308)	276,366	191,482	576
Construction	245,108	3,152	168,206	80,054
State Technology Grant	-	3,600	600	3,000
Fiduciary Funds:				
Payroll Withholdings	46	68,683	68,630	99
PLAC	140	617	664	93
Totals	<u>\$ 1,398,348</u>	<u>\$ 1,555,344</u>	<u>\$ 1,263,426</u>	<u>\$ 1,690,266</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 472,602	\$ 805,294	\$ 781,819	\$ 496,077
Gifts and Bequests	1,566	3,976	4,848	694
Friends of the Library	2,040	168	250	1,958
Fritchey Endowment	102	1,250	1,352	-
E. Pearson Gift	547,535	1,002	7,531	541,006
M.B.Jones Endowment	300	-	-	300
Frances Lewis Gift	5,000	-	-	5,000
Levy Excess	8,262	7,302	7,302	8,262
Library Improvement Reserve	569,037	146,398	33,378	682,057
Bond and Interest	576	188,312	192,252	(3,364)
Construction	80,054	1,153	37,858	43,349
State Technology Grant	3,000	2,700	3,225	2,475
Fiduciary Funds:				
Payroll Withholdings	99	76,901	76,749	251
PLAC	93	780	783	90
Totals	<u>\$ 1,690,266</u>	<u>\$ 1,235,236</u>	<u>\$ 1,147,347</u>	<u>\$ 1,778,155</u>

The accompanying notes are an integral part of the financial information.

WABASH CARNEGIE PUBLIC LIBRARY  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Library was established under the laws of the State of Indiana. The Library provides culture and recreation services.

Note 2. Fund Accounting

The Library uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Library in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Library on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Library to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

WABASH CARNEGIE PUBLIC LIBRARY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 6. Pension Plan

Plan Description

The Library contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Library authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.



WABASH CARNEGIE PUBLIC LIBRARY  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2007

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 59,600
Buildings	88,870
Improvements other than buildings	743,975
Machinery and equipment	<u>1,987,168</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 2,879,613</u>

WABASH CARNEGIE PUBLIC LIBRARY  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LONG-TERM DEBT  
December 31, 2007

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Bonds payable:		
General obligation bonds:		
Renovation - 2004	\$ 365,000	\$ 5,433

WABASH CARNEGIE PUBLIC LIBRARY  
EXAMINATION RESULTS AND COMMENTS

CREDIT CARDS

Receipts for credit card charges were not always presented for examination.

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

- (1) The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
- (2) Issuance and use should be handled by an official or employee designated by the board.
- (3) The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
- (4) When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
- (5) The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
- (6) Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
- (7) Payment should not be made on the basis of a statement or a credit card slip only. Procedure for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
- (8) If properly authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

PERSONNEL POLICY

The Library has a personnel policy that allows carryover of five vacation days from one year to the next. The current Director allowed an employee to carryover seven vacation days from one year to the next.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

WABASH CARNEGIE PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on May 29, 2008, with Ware W. Wimberly III, Director; and Amy Wendt, Business Manager. The officials concurred with our findings.